ATLANTA GOLD INC.

(a development stage company)

Interim Report - Second Quarter

June 30, 2009

The Company's independent auditors have not reviewed these financial statements.

ATLANTA GOLD INC.

(a development stage company)

These interim consolidated financial statements should be read in conjunction with the most recent audited annual consolidated financial statements included in the 2008 Annual Report.

Consolidated balance sheets

(Canadian dollars) (unaudited)

	As at June 30 2009	As at December 31 2008
Assets	$	$
Current assets		
Cash and cash equivalents	380,095	418,097
Marketable securities *(note 4(c))*	14,322	-
Receivables	55,405	35,655
Prepaid expenses	50,344	86,971
	500,166	540,723
Mineral properties (note 4)	33,958,450	33,244,068
Property, plant and equipment (note 5)	520,848	623,466
Total assets	34,979,464	34,408,257
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	300,922	510,704
Future income tax liability	4,438,707	4,373,597
	4,739,629	4,884,301
Shareholders' equity		
Capital stock	75,221,136	74,496,463
Liability to issue shares *(note 10)*	500,000	-
Warrants (*note 6(a)*)	332,554	219,677
Contributed surplus	5,254,885	4,793,273
Accumulated deficit	(51,068,740)	(49,985,457)
	30,239,835	29,523,956
Total liabilities and shareholders' equity	34,979,464	34,408,257

Nature of operations and going concern (note 1)

Contingencies and commitments (note 10)

Subsequent events (note 12)

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Consolidated statements of loss, deficit, and comprehensive loss

(Canadian dollars) (unaudited)

	Cumulative, since Inception (March 6, 1985) to 30-Jun-09	Three months ended June 30		Six months ended June 30	
		2009	2008	2009	2008
	$	$	$	$	$
Interest and other income	***1,932,801***	14,866	12,906	16,594	36,408
General and administrative expenses :					
Salaries and management fees	***7,119,518***	84,589	125,229	189,979	248,307
Stock based compensation *(note 7)*	***2,032,816***	80,126	81,435	405,339	298,595
Professional fees	***4,755,602***	136,148	168,543	245,413	274,455
Investor relations	***3,044,508***	17,293	33,325	75,177	116,099
Interest	***328,790***	-	5,000	-	18,788
Foreign exchange loss (gain)	***136,199***	(9,951)	1,665	3,186	8,140
Administrative and office	***4,266,784***	77,526	92,088	106,599	148,683
Amortization	***164,082***	2,025	1,956	4,050	3,912
	21,848,299	387,756	509,241	1,029,743	1,116,979
Future income tax expense (recovery)	***1,404,534***	-	-	65,110	-
Mineral property costs and impairments	***29,748,708***	3,272	50,784	5,024	235,423
	53,001,541	391,028	560,025	1,099,877	1,352,402
Loss and comprehensive loss for the period	***51,068,740***	376,162	547,119	1,083,283	1,315,994
Accumulated deficit, beginning of period,	-	50,692,578	49,318,836	49,985,457	48,549,961
Accumulated deficit, end of period	***51,068,740***	51,068,740	49,865,955	51,068,740	49,865,955
Weighted average number of consolidated shares outstanding		54,876,543	28,072,750	54,876,543	28,072,750
Loss and comprehensive loss per share (basic and fully diluted)		0.01	0.02	0.02	0.05

Nature of operations and going concern (note 1)

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Consolidated statements of cash flow

(Canadian dollars) (unaudited)

	Cumulative, since Inception (March 6, 1985) to 30-Jun-09	Three months ended June 30 2009	2008	Six months ended June 30 2009	2008
CASH FLOW FROM (USED FOR):	**$**	$	$	$	$
Operating activities					
(Loss) earnings for the period	***(51,068,740)***	(376,162)	(547,119)	(1,083,283)	(1,315,994)
Add (deduct) items not involving cash:					
Amortization	***164,082***	2,025	1,956	4,050	3,912
Future income tax expense	***1,404,534***	-	-	65,110	-
Mineral property costs written off	***29,548,753***	-	-	-	-
Stock-based compensation expense (note 7)	***2,032,816***	80,126	81,435	405,339	298,595
Increase in non-cash working capital	***180,851***	(4,213)	(478,299)	(207,227)	(1,626,411)
	(17,737,704)	(298,224)	(942,027)	(816,011)	(2,639,898)
Financing activities					
Issuance of common shares, net of share issue costs	***68,580,481***	-	586,107	837,550	5,517,128
Liability to issue common shares	***500,000***	500,000	-	500,000	-
Issuance of flow through shares, net of share issue costs	***12,853,631***	-	-	-	-
	81,934,112	500,000	586,107	1,337,550	5,517,128
Investing activities					
Fixed asset additions	***(1,141,718)***	-	(293,652)	-	(293,652)
Mineral property expenditures	***(62,674,595)***	(290,119)	(952,318)	(559,541)	(1,533,018)
	(63,816,313)	(290,119)	(1,245,970)	(559,541)	(1,826,670)
(Decrease) increase in cash and cash equivalents	***380,095***	(88,343)	(1,601,890)	(38,002)	1,050,560
Cash and cash equivalents, beginning of period	***-***	468,438	2,898,306	418,097	245,856
Cash and cash equivalents, end of period	***380,095***	380,095	1,296,416	380,095	1,296,416

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Consolidated statements of shareholders' equity

(Canadian dollars) (unaudited)

	Shares issued and subscribed			Contributed		
	Number of shares	**Ascribed value**	**Warrants value**	**Surplus value**	**Accumulated deficit**	**Total**
		$	$	$	$	$
Balance, December 31, 2007	19,726,557	67,001,029	19,865	4,228,619	(48,549,961)	22,699,552
Issue shares for cash at $0.61 per share, net of share issue costs (note 6(b))	9,180,062	5,482,893				5,482,893
Issue shares for cash at $0.10 per share, net of share issue costs (note 6(b))	16,324,000	1,395,067	219,677			1,614,744
Issue shares for cash at $0.63 per share, on exercise of options (note 6(c))	220,000	216,920		(78,320)		138,600
Issue shares for accounts payable at $0.70 per shares, net of share issue costs (note 6(b))	310,029	214,354				214,354
Issue shares for accounts payable at $0.71 per shares, net of share issue costs (note 6(b))	70,422	45,424				45,424
Issue shares for accounts payable at $0.12 per shares, net of share issue costs (note 6(b))	1,000,000	117,814				117,814
Issue shares for property at $0.598 per share, net of share issue costs (note 4(d) and 6(b))	41,806	22,962				22,962
Stock-based compensation (note 7)				623,109		623,109
Warrants expiring unexercised			(19,865)	19,865		-
Loss and comprehensive loss for the period					(1,435,496)	(1,435,496)
Balance, December 31, 2008	46,872,876	74,496,463	219,677	4,793,273	(49,985,457)	29,523,956
Issue shares for cash at $0.10 per share, net of share issue costs (note 6(b))	8,676,000	724,673	112,877			837,550
Liability to issue common shares, net of share issue costs (note 10)		500,000				500,000
Stock-based compensation (note 7)				461,612		461,612
Loss and comprehensive loss for the year					(1,083,283)	(1,083,283)
Balance, June 30, 2009	***55,548,876***	***75,721,136***	***332,554***	***5,254,885***	***(51,068,740)***	***30,239,835***

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Notes to the Interim Consolidated Financial Statements

(Canadian dollars) (unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

The Company's primary property is its Atlanta Gold Property ("Atlanta"), located in Idaho, U.S.A. Atlanta is in the development phase currently awaiting the beginning of mine construction. During the development phase, ongoing exploration continues to increase its mineral inventory. The Company also staked the Rocky Bar gold property ("Rocky Bar"), located southwest of Atlanta in Idaho. Rocky Bar is in the exploration stage. The Company's other properties have been written off, including diamond properties located on Baffin Island and in Northern Québec and its Québec gold properties, which are in the exploration phase. No further work is planned in these areas. Certain of the Company's Quebec gold properties under option from Breakwater Resources Ltd. have been farmed out to a company which is focused on exploration and development in this area. The success of that company's efforts could potentially yield positive results for the Company through earned working interests and retained royalty interests. To date, the Company has not earned significant revenues and is not considered to be in operation.

The recoverability of exploration and development expenditures is dependent upon the discovery of economically recoverable reserves, the preservation of the Company's interest in the underlying mineral claims, the ability to obtain necessary financing, obtain government approval and attain profitable production, or alternatively, upon the Company's ability to dispose of its interest on an advantageous basis. Changes in future conditions could require material write-downs of the carrying amounts of deferred exploration expenditures.

As at June 30, 2009, the Company has an excess of current assets over current liabilities of $199,244 and has recorded a second quarter loss of $876,162, and reported an accumulated deficit of $51,068,740 at that date. These circumstances can adversely effect its ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. Management continues to explore financing alternatives to raise capital. It is not possible to determine with any certainty, the success or adequacy c these initiatives.

The financial statements of the Company have been prepared on the basis that the Company will continue as a going concern, which presumes that it will be able to realize its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern. Such adjustments could be material.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These interim consolidated financial statements have been prepared by Company's management in accordance with Canadian generally accepted accounting principles ("GAAP"). The consolidated financial statements do not include all the information and disclosure required by Canadian GAAP for annual financial statements. In the opinion of management, all adjustments considered necessary for fair and consistent presentation of these interim financial statements have been included. The accounting policies and their methods of application are consistent with those used in the December 31, 2008 consolidated financial statements, except as disclosed herein. For further information, see the Company's consolidated financial statements and the accompanying notes included in the 2008 Annual Report. Results for the quarter ended June 30, 2009 are not necessarily an indication of the results that may be expected for the full fiscal year ended December 31, 2009.

In March 2009, the CICA issued an EIC Abstract on Impairment Testing of Mineral Exploration Properties, EIC-174. This Abstract discusses the analysis recommended to be performed to determine if there has been an impairment of mineral exploration properties. The Company considered the recommendations discussed in this Abstract effective for fiscal periods beginning January 1, 2009 when testing for impairment of mineral properties in the period and no impairment adjustments were required.

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3. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain the confidence of shareholders and investors in the implementation of its business plans by: (i) maintaining sufficient levels of liquidity to fund and support its exploration and development stage properties and other corporate activities, and (ii) maintaining a strong balance sheet, to ensure ready access to debt and equity markets, to facilitate the development of major projects. Management monitors its financial position on an ongoing basis.

4. MINERAL PROPERTIES

(Canadian dollars) (unaudited)

	Cumulative, since Inception (March 6, 1985) to 30-Jun-09 $	**As At June 30 2009** $	**As At December 31 2008** $
Atlanta Gold Property (note 4(a))			
Balance, beginning of period	***-***	33,100,045	29,386,255
Drilling, analysis, investigations and design	***27,338,213***	526,088	3,379,513
Project administration and general	***3,731,661***	128,294	214,277
Property acquisition and holding costs	***3,458,067***	60,000	120,000
Costs recovered during the year	***(713,514)***	-	-
Total expenditures during the period	***33,814,427***	714,382	3,713,790
Balance, end of period	***33,814,427***	33,814,427	33,100,045
Rocky Bar Gold Property			
Balance, beginning of period	***-***	144,023	-
Drilling, assays and related field work	***26,143***	-	26,143
Project administration and general	***117,880***	-	117,880
Total expenditures during the period	***144,023***	-	144,023
Balance, end of period	***144,023***	144,023	144,023
Brodeur Diamond Property (note 4(b))			
Balance, end of period	***-***	-	-
Abitibi Gold Property (note 4(c))			
Balance, end of period	***-***	-	-
	33,958,450	33,958,450	33,244,068

a) *Atlanta Gold Property ("Atlanta")*

The Company holds a 100% interest in patented mining lands and unpatented mining claims , and is expected to pay the following in 2009:

i) Pursuant to an agreement with Monarch Greenback, LLC ("Monarch"), the Company extended its lease and option to purchase the Monarch property to April 30, 2011 by making lease payments of US$50,000 per year and option payments of US$20,000 per month.
During the second quarter of 2009, the Company paid $40,000 to Monarch and $10,000 to another lessor.

ii) Approximately US$67,000 due in August 2009 to the Idaho Bureau of Land Management for annual maintenance fees on the unpatented mining claims; and

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iii) Payments totalling $45,000 due in the fourth quarter of 2009 to four lessors as annual advance royalty payments in respect of some of the patented lands plus accrued interest of 5% per year on $64,500. The final payment of $29,500 will be paid in December 2010.

b) *Brodeur Diamond Property ("Brodeur")*

In December 2008, the Company terminated the Helix Agreement, ending the Company's rights in respect of the surviving claims under the Helix Agreement. The Company continues to hold several mineral claims on Brodeur.

c) *Abitibi Gold Property ("Abitibi")*

The Company previously held an option from Breakwater Resources Inc. ("Breakwater") to acquire a minimum 60% ownership interest in the Abitibi property, comprised of the Normar, Mouskor, Malartic H and Malartic H Annex claims. In September 2008, Breakwater, the Company and Niogold Mining Corp. ("Niogold") entered into an agreement extending the exercise period of the option, to September 1, 2009. Under the terms of this agreement, Niogold paid $25,000 to Breakwater and agreed to incur up to $1.2 million in expenditures on the Malartic claims by September 1, 2009 to exercise the option, and the Company issued 41,806 common shares to Breakwater in October 2008. In May 2009, the parties agreed to extend the option period for one year to September 1, 2010 and in consideration therefor the Company received 75,377 shares of Niogold with a fair value of $14,322, and this investment has been designated as available for sale and carried at fair value. Unrealized gains and losses in fair value will be recorded as a separate component of comprehensive income and accumulated other comprehensive income. Upon Niogold incurring the expenditures, the Company will earn an initial 60% interest in the portion of the property comprised of the Normar and Mouskor claims.

5. PROPERTY, PLANT AND EQUIPMENT

	June 30, 2009			December 31, 2008		
	Cost	Accumulated amortization	Net	Cost	Accumulated amortization	Net
	$	$	$	$	$	$
Office furniture and equipment	155,401	152,520	2,881	155,401	148,470	6,931
Vehicles and field equipment	980,453	462,486	517,967	980,453	363,918	616,535
	1,135,854	615,006	520,848	1,135,854	512,388	623,466

6. CAPITAL STOCK, WARRANTS, AND CONTRIBUTED SURPLUS

a) Authorized share capital, warrants and stock options

As at June 30, 2009, the Company had 55,548,876 common shares outstanding, stock options to purchase 4,616,668 additional common shares at exercise prices ranging from $0.30 to $4.28 and warrants to purchase 12,500,000 additional common shares at an exercise price per share of $0.25. Stock options expire between November 2009 and April 2014. Warrants expire between December 2010 and February 2011, but can expire earlier at the Company's election, if the Company's share price exceeds $0.50 for 20 consecutive trading days or more. Details of the stock options, and share purchase warrants issued, exercised, forfeited and expired since December 31, 2007 are as follows:

	Share purchase warrants			*Stock options*	
	No. of shares	*Weighted average price $*	*Fair market value of warrants $*	*No. of shares*	*Weighted average price $*
Balance, December 31, 2007	64,445	3.45	19,865	206,667	2.90
Securities issued	8,162,000	0.25	219,677	2,100,000	0.63
Securities cancelled	-	-	-	(36,666)	2.35
Securities exercised	-	-	-	(220,000)	0.63
Securities expired	(64,445)	3.45	(19,865)	(33,333)	6.00
Balance, December 31, 2008	8,162,000	0.25	219,677	2,016,668	0.74
Securities issued	4,338,000	0.25	112,877	2,850,000	0.34
Securities cancelled	-	-	-	(250,000)	0.63
Balance, June 30, 2009	12,500,000	0.25	332,554	4,616,668	0.51

The weighted-average remaining contractual life of all stock options outstanding is 51 months as follows:

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Expiry date	*No. of shares*	*Exercise price $*
November 24, 2009	13,334	4.28
February 11, 2010	20,000	3.30
June 30, 2010	6,667	2.70
February 13, 2011	13,334	2.85
June 28, 2011	10,000	1.80
September 28, 2011	50,000	1.65
November 6, 2011	13,333	1.50
December 11, 2011	10,000	1.35
February 28, 2013	1,630,000	0.63
February 11, 2014	2,350,000	0.32
April 20, 2014	250,000	0.30
April 20, 2014	250,000	0.60
	4,616,668	

6. CAPITAL STOCK, WARRANTS, AND CONTRIBUTED SURPLUS (continued)

b) Capital stock offering

In January 2009 and February 2009, the Company issued 8,676,000 common share units by private placement at $0.10 per share for gross proceeds of $867,600. Each unit wa comprised of one common share and one-half share purchase warrant ("Warrant") exercisable at $0.25 per share for a period up to 24 months. Share issue costs in respect of this offering was $30,050, and included a cash finder's fees of $7,000. The fair value of the Warrants of $112,877 was calculated based on the Black Scholes option pricing model.

7. STOCK BASED COMPENSATION

The Company issues stock options to employees, officers, directors and consultants to the Company. In February 2008, the Company granted options to purchase 2,050,000 shares at $0.63 per share exercisable until February 28, 2013, including 250,000 stock options which were cancelled in January 2009, resulting in a total fair market value of $654,800, as follows: a) 500,000 options granted to directors; b) 40% of the remaining 1,550,000 options vested at the date of grant; and c) 30% vest one year from date of grant; and 30% vests two years from the date of grant. During the first half of 2009, $30,768 was expensed and $7,462 was capitalized.

In September 2008, the Company granted 50,000 options to a new employee exercisable at $0.67 per share until September 2013 and vesting until September 2010 on the same basis as those options granted in February 2008. The fair market value of these options granted is $17,800. During the first half of 2009, $925 was expensed.

In February 2009, the Company granted options to purchase 2,350,000 shares at $0.32 per share exercisable until February 11, 2014, including 575,000 options granted to employees in Atlanta, resulting in a total fair market value of $541,800 for the stock options granted. 600,000 options granted to directors and 40% of the other 1,750,000 options vested at the date of grant; 30% vest one year from date of grant; and 30% vests two years from date of grant. During the first half of 2009, $340,767 was expensed and $48,811 was capitalized.

In April 2009, the Company granted options to purchase 500,000 shares to an investor relations firm. 250,000 of the options are exercisable at $0.30 per share and 250,000 are exercisable at $0.60 per share until April 2014 and vest over a two-year period ending in April 2011 on the same basis as those options granted in February 2009. The fair market value of these options is $64,155. During the second quarter of 2009, $32,879 was expensed.

The remaining fair market value will be recorded as stock-based compensation as follows:

In 2009, $108,311 will be expensed and $4,612 will be capitalized in the second half of the year;
In 2010, $71,099 will be expensed and $7,864 will be capitalized during the year; and
In 2011, $2,046 will be expensed in the first quarter of the year.

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The fair value of all stock options granted since 2004 has been estimated at the date of grant using the Black-Scholes option pricing model. The current year's valuation was calculated with the following assumptions: weighted-average risk free interest rate of 1.21%, expected volatility of the market price of the Company's common stock of 95%; and weighted average expected life of the options of 5 years.

8. SEGMENTED INFORMATION

The Company operates in two geographical segments: Canada and United States.

The comparative interest and other income and loss incurred for the three and six months ended June 30, 2009 and 2008, and the assets identifiable to those segments for the interim quarters ended June 30, 2009 and 2008, are as follows:

	Canada	**USA**	**Total**	**Canada**	**USA**	**Total**
	$	$	$	$	$	$
	Three months ended June 30, 2009			Six months ended June 30, 2009		
Interest and other income	14,866	-	14,866	16,594	-	16,594
Stock-based compensation	80,126	-	80,126	405,339	-	405,339
Loss for the period	376,162	-	376,162	1,083,283	-	1,083,283
Identifiable assets				320,626	34,658,838	34,979,464
				Balance, December 31, 2008		
Identifiable assets				500,352	33,907,905	34,408,257
	Three months ended June 30, 2008			Six months ended June 30, 2008		
Interest and other income	12,906	-	12,906	36,408	-	36,408
Stock-based compensation	81,435	-	81,435	298,595	-	298,595
Loss for the period	254,147	292,972	547,119	1,314,899	1,095	1,315,994
Identifiable assets				1,425,592	31,685,482	33,111,074

9. RELATED PARTY TRANSACTIONS

During the second quarter of 2009, the Company incurred $17,300 in respect of management fees to officers of the Company (2008 - 138,500). The Company paid interest expense of $5,000 to a director of the Company during the second quarter of 2008 (2009 - nil).

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10. CONTINGENCIES AND COMMITMENTS

The Company has operating lease commitments in respect of its office equipment until May 2013 approximately as follows:

2009	$	2,000
2010	$	4,000
2011	$	4,000
2012	$	4,000
2013	$	1,000

The Company announced its intention to complete a private placement equity financing for gross proceeds of up to $3 million, expected to be completed in August 2009. As at June 30, 2009, the Company had received subscription proceeds of $500,000 in respect of this private offering, including $100,000 received from a director of the Company.

11. COMPARATIVE FIGURES

Certain comparative figures may have been reclassified to conform with the presentation adopted in the current period.

12. SUBSEQUENT EVENTS

In July 2009, the Company announced that it had agreed to issue up to 6,000,000 shares to Newmont USA Limited in exchange for certain fixed assets totaling up to US$1,500,000,

Also, in July 2009, 50,000 stock options which were granted in February 2008 and February 2009 to a former employee of the Company were cancelled,

In August 2009, the Company expects to complete a private offering for maximum gross proceeds of $3 million by issuing up to 10,344,828 shares of the Company at a price of $0.29. per share.